

August 24, 2007

The Honorable Mark Sanford
Office of the Governor
Post Office Box 11829
Columbia, South Carolina 29211

Dear Governor Sanford:

As requested, I am enclosing the South Carolina Department of Agriculture's Budget Plan which includes the Executive Summary, Detailed Justification for Operating Budget Priorities and Detailed Justification for Capitol Budget Priorities for the fiscal year 2008-2009. Also enclosed is a request to delete a proviso.

Sincerely,

Hugh E. Weathers

Enclosures

I. EXECUTIVE SUMMARY

Section 34, P16, S. C. Department of Agriculture

Our mission is to promote and nurture the growth and development of South Carolina's agriculture industry and its related businesses while assuring the safety and security of the buying public. Our shared vision is for the state economy to grow and prosper providing everyone, producers and consumers, opportunities to enjoy the fruits of agriculture.

(1) Promoting agriculture and agribusiness in the state by providing agricultural marketing assistance

(2) Maximizing protection of producers and consumers

(3) Providing public awareness, promotion, and publicity of South Carolina agricultural products

(4) Effectively managing agency operations and a diverse work force

[illegible]

Summary of Operating Budget Priorities for FY 2008-09:	FUNDING					FTEs			
	State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
TOTAL OF ALL PRIORITIES	\$ 500,000	\$2,500,000	\$ 0	\$ 0	3,000,000	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:
 State \$ 6,377,142
 Federal \$ 7,059,553
 Other \$ 125,000

F. Efficiency Measures:

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No. 1:	<u>Project Name:</u> Columbia State Farmers Market Relocation Activity Number & Name: 1217 Market Services	Project No*: 9509	5,500,000	0	0	\$ 5,500,000
Priority No. 2:	<u>Project Name:</u> Acquisition of Pee Dee Farmers Market Activity Number & Name: 1217 Market Services	Project No*:	2,000,000	0	0	\$ 2,000,000
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$ 7,500,000	\$ 0	\$ 0	\$ 7,500,000

* If applicable

H. Number of Proviso Changes: One (1)

I. Signature/Agency Contacts/Telephone Numbers:

James W. Trexler
 803-734-2194

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture

B. Priority No. *1A*

C. (1) Title: Columbia Market Relocation
(2) Summary Description: Operating Expenses for the relocation of the market.
(3) Strategic Goal/Action Plan (*if applicable*):

D. Budget Program Number and Name:
15150000, IV C Market Services

E. Agency Activity Number and Name:
1217 Market Services

F. Detailed Justification for Funding

(1) Justification for Funding Increase: When the new Columbia State Farmers Market is completed, there will be a need for mobilization and relocation operating funds.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses	500,000				\$ 500,000
Total	\$500,000	\$ 0	\$ 0	\$ 0	\$500,000

** If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	\$	-0-
Federal	\$	-0-
Other	\$	1,600,200

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State _____

Federal _____

Other _____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture

B. Priority No. *I*

C. (1) Title: S. C. Certified Grown
(2) Summary Description: Continuation of the S. C. Certified Grown Program
(3) Strategic Goal/Action Plan (*if applicable*):

D. Budget Program Number and Name:
15100000, IV A Marketing & Promotions

E. Agency Activity Number and Name:
1216 Marketing & Promotions

F. Detailed Justification for Funding

(1) Justification for Funding Increase: To ensure the continued effectiveness of the S. C. Certified Grown Program.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		\$2,500,000			\$2,500,000
Total		\$2,500,000	\$ 0	\$ 0	\$2,500,000

** If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	\$ 2,669,739
Federal	\$ 120,000
Other	\$ 87,500

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State _____

Federal _____

Other _____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture
- B. Priority No. **1B**
- C. (1) Title: Market Security
(2) Summary Description: Security Services for the new farmers market
(3) Strategic Goal/Action Plan (*if applicable*):
- D. Budget Program Number and Name:
15150000, IV C Market Services
- E. Agency Activity Number and Name:
1217 Market Services
- F. Detailed Justification for Funding

(1) Justification for Funding Increase: When the new Columbia State Farmers Market is completed, new security measures will need to be in place. The current security system at the present market will be insufficient on the new market due to the fact that in addition to market services, our Laboratory and Consumer Services will also be present at the new location.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0

Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ -0-
Federal \$ -0-
Other \$ 1,600,200

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State	_____
Federal	_____
Other	_____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture

B. Priority No. 2 of 4

C. (1) Title: Personal Services
(2) Summary Description:
(3) Strategic Goal/Action Plan (*if applicable*):

D. Budget Program Number and Name:
All

E. Agency Activity Number and Name:
All

F. Detailed Justification for Funding

(1) Justification for Funding Increase: A study will be scheduled to ensure department salaries per position are on par with salaries of comparable positions in other states.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

** If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State \$
Federal \$
Other \$

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State _____

Federal _____

Other _____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture
- B. Priority No. 1 of 2
- C. Strategic Goal/Action Plan *(if applicable)*:
- D. Project Name and Number *(if applicable)*:
Columbia State Farmers Market Relocation, Project 9509
- E. Agency Activity Number and Name:
1217 Market Services
- F. Description of Priority: Columbia Market Relocation
- G. Detailed Justification for Funding

(1) Justification for Funding Priority: Additional Funds are needed to complete the relocation of the Columbia State Farmers Market.

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	\$5,500,000			\$ 0

* *If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? Yes

If not, will additional state funds be needed in the future? No

If state funds will not be needed in the future, explain the source(s) that will be used. Columbia Market Revenue

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? _____
If not, will additional state funds be needed in the future? _____
If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture
- B. Priority No. 2 of 2
- C. Strategic Goal/Action Plan *(if applicable)*:
- D. Project Name and Number *(if applicable)*:
N/A
- E. Agency Activity Number and Name:
1217 Market Services
- F. Description of Priority: Acquisition of Pee Dee Farmers Market
- G. Detailed Justification for Funding

- (1) Justification for Funding Priority: In order to promote and sustain the rural economy of the Pee Dee Region, funds are needed for the department to purchase the property on which the Pee Dee State Farmers Market operates. The department currently leases the property from Clemson University.

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	\$2,000,000			\$ 2,000,000

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

- H. Justification for First Year Additional Future Annual Operating Costs:

- (1) Will additional annual operating costs be absorbed into your existing budget? Yes

If not, will additional state funds be needed in the future? No

If state funds will not be needed in the future, explain the source(s) that will be used. Pee Dee Market Revenue

- (2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? _____
If not, will additional state funds be needed in the future? _____
If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

FY 2008-09 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture

B.

Priority Assessment of Activities – Highest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 1216 Marketing and Promotions	2,974,239	120,000	1,150,000	0	87,500	\$4,331,739	23.75
Activity Number & Name: 1218 Inspection Services	0	0	0	0	1,809,865	\$1,809,865	25.81
Activity Number & Name: 1214 Laboratory Services	1,588,899	5,000	250,000	0	121,500	\$1,965,399	21.00
Activity Number & Name: 1215 Consumer Services	471,750	0	0	0	1,243,000	\$1,714,750	40.00
Activity Number & Name: 1217 Market Services	0	0	0	15,000,000	1,817,511	\$16,817,511	20.00
TOTAL OF HIGHEST PRIORITIES	\$5,034,888	\$125,000	\$1,400,000	\$15,000,000	\$5,079,376	\$26,639,264	130.56

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

- A. Agency Section/Code/Name:
Section 34, P16, S. C. Department of Agriculture
- B. Agency Activity Number and Name:
1214 Laboratory Services - Rent
- C. Explanation of Lowest Priority Status:
Reduce rent for our agency by \$127,543. Our state appropriated funds have decreased by \$800,000 since fiscal year 2000-2001. This agency has already eliminated programs that were not seen as critical.
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	\$127,543	0	0	0	0	\$127,543
Total	\$127,543	\$ 0	\$ 0	\$ 0	\$ 0	\$127,543

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):
If rent is decreased by the Budget and Control Board, there should be no negative impact to the activity.

F.

Summary of Priority Assessment of Activities – Lowest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 1214 Laboratory Services - Rent	\$127,543	0	0	0	0	\$127,543	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$127,543	\$ 0	\$ 0	\$ 0	\$ 0	\$127,543	0.00